

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01654A
Farmers Water Co
PO Box 7
Sahuarita, AZ 85629

RECEIVED

APR 03 2006

**Z Corporation Commission
Director of Utilities**

ANNUAL REPORT

FOR YEAR ENDING

9	30	2005
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FOR COMMISSION USE

ANN04	05
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entered
4-4-06
RF

COMPANY INFORMATION

Company Name (Business Name) FARMERS WATER CO.

Mailing Address P.O. BOX 7 (1525 E SAHUARITA RD.)

(Street)

SAHUARITA

(City)

AZ

(State)

85629

(Zip)

520-879-7474

Telephone No. (Include Area Code)

520-791-2853

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Email Address N/A

Local Office Mailing Address P.O. BOX 7 (1525 E SAHUARITA RD)

(Street)

SAHUARITA

(City)

AZ

(State)

85629

(Zip)

520-879-7474

Local Office Telephone No. (Include Area Code)

520-791-2853

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Email Address N/A

MANAGEMENT INFORMATION

Management Contact: WARREN E CULBERTSON

CEO

(Name)

(Title)

1525 E SAHUARITA RD

(Street)

SAHUARITA

(City)

AZ

(State)

85629

(Zip)

520-879-7473

Telephone No. (Include Area Code)

520-791-2853

Fax No. (Include Area Code)

520-400-2111

Pager/Cell No. (Include Area Code)

Email Address N/A

On Site Manager: JOHN (JACK) MILLER

(Name)

1525 E SAHUARITA RD

(Street)

SAHUARITA

(City)

AZ

(State)

85629

(Zip)

520-879-7433

Telephone No. (Include Area Code)

520-791-2853

Fax No. (Include Area Code)

520-444-7820

Pager/Cell No. (Include Area Code)

Email Address N/A

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: T PATRICK GRIFFIN

(Name)

ONE SOUTH CHURCH AVE

(Street)

TUCSON

(City)

AZ

(State)

85701

(Zip)

520-791-3836

Telephone No. (Include Area Code)

520-624-5080

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: SAME AS ABOVE

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☒ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME	FARMERS WATER CO	09/30/05
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UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	-	-	-
302	Franchises	6,893	-	6,893
303	Land and Land Rights	-	-	-
304	Structures and Improvements	16,000	11,377	4,623
307	Wells and Springs	195,640	98,362	97,278
311	Pumping Equipment	160,570	115,948	44,622
320	Water Treatment Equipment	10,288	8,725	1,563
330	Distribution Reservoirs and Standpipes	451,289	321,021	130,268
331	Transmission and Distribution Mains	4,842,963	905,385	3,937,578
333	Services	618,573	94,988	523,585
334	Meters and Meter Installations	148,138	73,896	74,242
335	Hydrants	146,881	38,248	108,633
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	-	-	-
340	Office Furniture and Equipment	53,114	20,591	32,523
341	Transportation Equipment	49,129	16,934	32,195
343	Tools, Shop and Garage Equipment	-	-	-
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	-	-	-
346	Communication Equipment	-	-	-
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	-	-	-
	TOTALS	6,699,478	1,705,475	4,994,003

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	-	-	-
302	Franchises	6,893	-	-
303	Land and Land Rights	-	-	-
304	Structures and Improvements	16,000	4.0%	640
307	Wells and Springs	11,854 183,786	0.0% 4.0%	- 6,551
311	Pumping Equipment	12,673 147,897	10.0% 4.0%	1,267 5,916
320	Water Treatment Equipment	3,228 6,000 1,060	0.0% 4.0% 20.0%	- 240 212
330	Distribution Reservoirs and Standpipes	8,700 6,835 437,754	10.0% 6.7% 4.0%	- 456 17,510
331	Transmission and Distribution Mains	13,347 4,829,616	0.0% 4.0%	- 171,400
333	Services	618,573	4.0%	19,789
334	Meters and Meter Installations	11,937 20,801 116,300	0.0% 4.0% 10.0%	- 832 11,160
335	Hydrants	146,881	4.0%	5,875
336	Backflow Prevention Devices	-	-	-
339	Other Plant and Misc. Equipment	50,462 2,652	13.0% 0.0%	6,341 -
340	Office Furniture and Equipment	13,747 35,382	0.0% 9.0%	- 3,187
341	Transportation Equipment	-	-	-
343	Tools, Shop and Garage Equipment	-	-	-
344	Laboratory Equipment	-	-	-
345	Power Operated Equipment	-	-	-
346	Communication Equipment	-	-	-
347	Miscellaneous Equipment	-	-	-
348	Other Tangible Plant	-	-	-
	TOTALS	6,699,478		251,376

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME	FARMERS WATER CO	09/30/05
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BALANCE SHEET

Acct No.		09/30/04		09/30/05	
		BALANCE AT BEGINNING OF YEAR		BALANCE AT END OF YEAR	
	ASSETS				
	CURRENT AND ACCRUED ASSETS				
131	Cash	\$	(196)	\$	(31,322)
134	Working Funds				
135	Temporary Cash Investments				
141	Customer Accounts Receivable		36,711		44,004
146	Notes/Receivables from Associated Companies		771,094		836,783
151	Plant Material and Supplies				
162	Prepayments		20		6,037
174	Miscellaneous Current and Accrued Assets				
	TOTAL CURRENT AND ACCRUED ASSETS	\$	807,629	\$	855,502
	FIXED ASSETS				
101	Utility Plant in Service	\$	4,939,575	\$	6,699,478
103	Property Held for Future Use				
105	Construction Work in Progress				
108	Accumulated Depreciation – Utility Plant		(1,470,761)		(1,705,475)
121	Non-Utility Property				
122	Accumulated Depreciation – Non Utility				
	TOTAL FIXED ASSETS	\$	3,468,814	\$	4,994,003
	TOTAL ASSETS	\$	4,276,443	\$	5,849,505

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

09/30/04

09/30/05

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 3,269	\$ 8,264
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	23,026	29,197
	TOTAL CURRENT LIABILITIES	\$ 26,295	\$ 37,461
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	3,974,606	5,653,208
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	385,727	333,683
272	Less: Amortization of Contributions	(51,882)	(52,044)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 4,308,451	\$ 5,934,847
	TOTAL LIABILITIES	\$ 4,334,746	\$ 5,972,308
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 2,500	\$ 2,500
211	Paid in Capital in Excess of Par Value	497,500	497,500
215	Retained Earnings	(558,303)	(622,802)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (58,303)	\$ (122,802)
	TOTAL LIABILITIES AND CAPITAL	\$ 4,276,443	\$ 5,849,506

COMPANY NAME

FARMERS WATER CO

09/30/05

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

		09/30/04	09/30/05
Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 422,409	\$ 442,659
460	Unmetered Water Revenue	0	0
474	Other Water Revenues	8,495	12,430
	TOTAL REVENUES	\$ 430,904	\$ 455,088
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 152,654	\$ 159,037
610	Purchased Water		
615	Purchased Power	32,785	15,685
618	Chemicals		
620	Repairs and Maintenance	41,524	23,088
621	Office Supplies and Expense	13,888	19,720
630	Outside Services	6,009	45,564
635	Water Testing	21,280	8,784
641	Rents		
650	Transportation Expenses	3,329	2,638
657	Insurance – General Liability	2,400	2,347
659	Insurance - Health and Life	10,120	12,883
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	7,049	12,321
403	Depreciation Expense /Amortization	145,320	199,332
408	Taxes Other Than Income		
408.11	Property Taxes	25,041	18,187
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 461,399	\$ 519,587
	OPERATING INCOME/(LOSS)	\$ (30,495)	\$ (64,499)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 0	\$ 0
	NET INCOME/(LOSS)	\$ (30,495)	\$ (64,499)

COMPANY NAME

FARMERS WATER CO

09/30/05

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	NONE			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 0

Meter Deposits Refunded During the Test Year

\$ 0

WATER COMPANY PLANT DESCRIPTION**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-534922(S-52A)	30	175	1500	8	4	1933
55-624001(S-52)	125	575	1200	14/12	8	1974
55-624012(E-5A)	75	500	520	16	8	1959
55-624011(E3A)	125	1000	1100	18/16 14/10	8	1975
55-624025(W-11)	200	2050	1186	18/16	12	1974
55-624028(NP-2)	10	35	375	16	2	1977

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
1	1	187	
3	1		
15	6		
20	2		
25	2		
30	3		
50	2		
60	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1,000,000 Gallons	2	5,000 Gallons	8
17,500 Gallons	2	10,000 Gallons	1
8,000 Gallons	1		
80,000 Gallons	1		

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2	iron	4357
3	iron	3379
4	iron	3657
5		
6	iron	1341
8	iron	150
10		
12	iron	533
4	PVC	18701
6	PVC	36110
8	PVC	50641
8	DIP	90
12	PVC	2727
4	ACP	2835
12	ACP	2723
12	PVC	20557

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	1625
3/4	107
1	156
1 1/2	14
2	43
Comp. 3	2
Turbo 3	
Comp. 4	1
Turbo 4	1
Comp. 6	1
Turbo 6	1
TOTAL	1951

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

Five (5) chlorine tablet injection stations

The 5 chlorine tablet injection stations are located as follows:

W-11 Booster

NP-2 Well Site

Colonia Real Booster

E-5A Well Site

Sahuarita Booster

STRUCTURES:

312 Square feet of storage and work sheds; 1969' of 6' chain link fencing.

143' of Block Wall 8' tall @ W-11 Well Site

Chain Link Fence Locations:

Roadhaven Booster Station 224' E-3A Well Site 188' S-52 Well Site 96'

NP-2 Well Site 108' E-5A Well Site 598' S-52A Well Site 90'

Colonia Real Booster Station 451'

OTHER:

Two (2) Ford F-150 Pick-ups; One (1) Ford 250 Small Truck

One (1) Mercury Grand Marquis

COMPANY NAME: FARMERS WATER CO.

9/30/2005

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**S52 & 52A****PWS 10048**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	89	1,692,480	See Individual
FEBRUARY	90	1,598,080	sheets for
MARCH	90	2,369,360	S52 Overflow
APRIL	92	2,086,630	16,082
MAY	95	2,374,680	and S52A
JUNE	90	3,391,910	16,096
JULY	90	2,055,190	
AUGUST	91	2,954,450	
SEPTEMBER	91	2,951,620	
OCTOBER	96	3,560,537	
NOVEMBER	105	3,073,212	
DECEMBER	109	3,771,867	
TOTAL		31,880,016	32,178

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes☒ NoIf yes, provide the GPCPD amount: N/A

What is the level of arsenic for each well on your system. S-52A .0036
S-52 .0037mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: FARMERS WATER CO.

9/30/2005

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**S52****PWS 10048****Overflow S52**

MONTH	NUMBER OF CUSTOMERS	Acres/feet	GALLON PUMPED (Thousands)
JANUARY	89	-0-	-0-
FEBRUARY	90	-0-	-0-
MARCH	90	-0-	-0-
APRIL	92	1.9	619,117
MAY	95	5.9	1,922,521
JUNE	90	10.1	3,291,095
JULY	90	7.1	2,313,542
AUGUST	91	5.8	1,889,936
SEPTEMBER	91	7.8	2,541,638
OCTOBER	96	5.8	1,889,936
NOVEMBER	105	4.5	1,466,330
DECEMBER	109	0.7	228,096
TOTAL		49.35	16,082,211

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes☒ NoIf yes, provide the GPCPD amount: N/A

What is the level of arsenic for each well on your system. S52A .0036
S52 .0037 mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: FARMERS WATER CO.

9/30/2005

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

52A

PWS 10048

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	89		2,153,875
FEBRUARY	90		2,460,175
MARCH	90		2,613, 976
APRIL	92		2,260,754
MAY	95		284,793
JUNE	90		256,770
JULY	90		-0-
AUGUST	91		241,456
SEPTEMBER	91		1,188,704
OCTOBER	96		371,144
NOVEMBER	105		878,494
DECEMBER	109		3,385,592
TOTAL			16,095,733

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes ☒ No

If yes, provide the GPCPD amount: N/A

What is the level of arsenic for each well on your system. S-52A .0036
(If more than one well, please list each separately.) S-52 .0037 mg/l

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: FARMERS WATER CO.

9/30/05

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**E5A****PWS 10049**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	345	5,565,056	5,409
FEBRUARY	346	4,328,385	5,018
MARCH	335	5,545,339	5,181
APRIL	340	8,078,309	11,632
MAY	354	8,135,620	9,091
JUNE	346	12,385,019	6,158
JULY	348	9,871,853	12,382
AUGUST	349	9,179,672	10,101
SEPTEMBER	349	10,024,235	12,708
OCTOBER	362	8,423,651	8,016
NOVEMBER	356	6,739,238	8,635
DECEMBER	361	7,552,659	9,319
TOTAL		95,829,036	103,650

Metered Not Billed (Irrigation/Flushing)

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes☒ NoIf yes, provide the GPCPD amount: N/AWhat is the level of arsenic for each well on your system. .0061 mg/l*(If more than one well, please list each separately.)***Note: If you are filing for more than one system, please provide separate data sheets for each system.**

COMPANY NAME: FARMERS WATER CO.

9/30/2005

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

W11

PWS 10213

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	1302	7,284,875	7,276
FEBRUARY	1308	6,570,624	7,062
MARCH	1309	7,776,551	7,416
APRIL	1314	9,726,711	9,448
MAY	1320	7,729,166	8,204
JUNE	1317	10,265,783	10,288
JULY	1317	7,128,711	8,072
AUGUST	1319	9,627,732	9,556
SEPTEMBER	1319	8,427,411	8,137
OCTOBER	1326	7,789,107	8,495
NOVEMBER	1285	8,087,877	7,279
DECEMBER	1292	8,778,454	9,198
TOTAL		99,193,002	100,431

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes☒ NoIf yes, provide the GPCPD amount: N/AWhat is the level of arsenic for each well on your system. .0077 mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: FARMERS WATER CO.

9/30/2005

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**NP2**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	21	135,120	98
FEBRUARY	21	107,650	98
MARCH	21	143,490	98
APRIL	21	156,530	228
MAY	21	224,130	228
JUNE	21	345,590	326
JULY	21	235,600	261
AUGUST	23	194,044	196
SEPTEMBER	23	272,152	261
OCTOBER	23	223,494	163
NOVEMBER	24	236,162	196
DECEMBER	26	171,169	196
TOTAL		2,445,131	2,349

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes☒ NoIf yes, provide the GPCPD amount: N/AWhat is the level of arsenic for each well on your system. .0028 mg/l*(If more than one well, please list each separately.)****Note: If you are filing for more than one system, please provide separate data sheets for each system.***

COMPANY NAME FARMERS WATER CO

09/30/05
YEAR ENDING

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 19,083.38 (Fiscal Year)
20,072.50 (Calendar Year)

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

13001858

REF	NAME	ACCOUNT	DATE	AMOUNT	BALANCE
BETH001	BETH FORD	00000000000001127	11/1/2005		
30418092F1	10/1/2005	1ST HALF 2005 TAXES		\$11.84	\$11.84
30418092G0	10/1/2005	1ST HALF 2005 TAXES		\$11.84	\$11.84
30418097D8	10/1/2005	1ST HALF 2005 TAXES		\$11.84	\$11.84
3041893907	10/1/2005	1ST HALF 2005 TAXES		\$14.03	\$14.03
30418098E0	10/1/2005	1ST HALF 2005 TAXES		\$14.03	\$14.03
3041894308	10/1/2005	1ST HALF 2005 TAXES		\$11.84	\$11.84
3041894205	10/1/2005	1ST HALF 2005 TAXES		\$11.84	\$11.84
9096390105	10/1/2005	1ST HALF 2005 TAXES		\$8,238.19	\$8,238.19
9096300205	10/1/2005	1ST HALF 2005 TAXES		\$769.28	\$769.28
9096390002	10/1/2005	1ST HALF 2005 TAXES		\$1,477.87	\$1,477.87
30465735B5	10/1/2005	1ST HALF 2005 TAXES		\$8.99	\$8.99
3035418109	10/1/2005	1ST HALF 2005 TAXES		\$12.38	\$12.38

COMMENT

Stub Totals: \$10,593.97 \$10,593.97

FARMERS WATER CO.

P.O. Box 7
Sahuarita, AZ 85629-0007

Wells Fargo Bank Ohio, N.A.

13001858

PAY Ten Thousand Five Hundred Ninety Three Dollars And 97 Cents

TO THE ORDER OF
BETH FORD
PIMA COUNTY TREASURER
P O BOX 98765
PHOENIX AZ 85098-0765

56-382
412

DATE

11/1/2005

AMOUNT

\$ *****10,593.97

CHECKS FOR AMOUNTS OVER \$5,000
REQUIRE 2 SIGNATURES

BY

BY

AUTHORIZED SIGNATURES

⑈ 13001858 ⑈ ⑆041203824⑆9600032438⑈

RECEIVED PAYMENT

11/01/05

BETH FORD, PIMA COUNTY TREASURER

Signed

130 01705

COMMENT

Stub Totals:	\$9,478.53	\$9,478.53
--------------	------------	------------

FARMERS WATER CO.		Wells Fargo Bank Ohio, N.A.		130 01705	
P.O. Box 7		56-382			
Sahuarna, AZ 85629-0007		1412			
		DATE		AMOUNT	
		5/2/2005			
PAY		\$		*****9,478.53	
Nine Thousand Four Hundred Seventy Eight Dollars And 53 Cents					
		CHECKS FOR AMOUNTS OVER \$5,000		REQUIRE 2 SIGNATURES	
TO THE ORDER OF		BY		MP	
BETH FORD					
PIMA COUNTY TREASURER					
P.O. BOX 98765		BY		MP	
PHOENIX, AZ 85038-0965					
		NON-NEGOTIABLE		AUTHORIZED SIGNATURES	

130 01705

A handwritten signature in black ink, consisting of stylized cursive letters, likely reading "J. A." or similar.

VENDOR ID	NAME	PAYMENT NUMBER	CHECK DATE	
BETH001	BETH FORD	00000000000000783	11/1/2004	130 01563
INVOICE #	DATE	DESCRIPTION	GROSS AMOUNT	AMOUNT PAID
9096300205	10/1/2004	1ST HALF 2004 TAXES	\$732.86	\$732.86
9096300002	10/1/2004	1ST HALF 2004 TAXES	\$1,410.23	\$1,410.23
9096300105	10/1/2004	1ST HALF 2004 TAXES	\$7,335.46	\$7,335.46
3046575B5	10/1/2004	1ST HALF 2004 TAXES	\$9.09	\$9.09
3041894308	10/1/2004	1ST HALF 2004 TAXES	\$12.05	\$12.05
3041894205	10/1/2004	1ST HALF 2004 TAXES	\$12.05	\$12.05
3041894907	10/1/2004	1ST HALF 2004 TAXES	\$14.24	\$14.24
30418948F9	10/1/2004	1ST HALF 2004 TAXES	\$14.24	\$14.24
30418948E0	10/1/2004	1ST HALF 2004 TAXES	\$14.24	\$14.24
30418947D8	10/1/2004	1ST HALF 2004 TAXES	\$12.05	\$12.05
30418946G7	10/1/2004	1ST HALF 2004 TAXES	\$12.05	\$12.05
30418945E1	10/1/2004	1ST HALF 2004 TAXES	\$12.05	\$12.05
Stub Totals:			\$9,590.61	\$9,590.61

*** CONTINUED ON REMITTANCE ***

FARMERS WATER CO.

P.O. Box 7
Sahuarita, AZ 85629-0007

Wells Fargo Bank Ohio, N.A.

56-382
412

130 01563

PAY Nine Thousand Six Hundred Four Dollars And

TO THE ORDER OF BETH FORD
PIMA COUNTY TREASURER
P O BOX 98765
PHOENIX AZ 85038-0765

0.00T

0.00T

732.86+
1,410.23+
7,335.46+
9.09+
12.05+
12.05+
14.24+
14.24+
14.24+
12.05+
12.05+
12.05+
14.24+
9,604.85T

0.00T

DATE

11/1/2004

AMOUNT

\$

*****9,604.85

CHECKS FOR AMOUNTS OVER \$5,000
REQUIRE 2 SIGNATURES

NON-NEGOTIABLE

AUTHORIZED SIGNATURES

130 01563

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

APR 03 2006

Z Corporation Commissic
Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	PIMA
NAME (OWNER OR OFFICIAL) TITLE	WARREN E. CULBERTSON / CEO
COMPANY NAME	FARMERS WATER CO.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

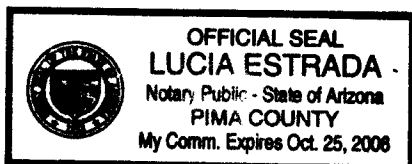
MONTH	DAY	YEAR
9	30	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



Warren E. Culbertson

SIGNATURE OF OWNER OR OFFICIAL

520-879-7474

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

30th

DAY OF

COUNTY NAME	Pima
MONTH	March
	2006

(SEAL)

Lucia Estrada

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

10/25/06

09/30/05

COMPANY NAME FARMERS WATER CO.

YEAR ENDING :

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported
Estimated or Actual Federal Tax Liability**NOT APPLICABLE AS TAX RETURNS ARE
FILED AS MEMEBER OF A CONSOLIDATED
GROUP WITH FARMERS INVESTMENT CO.**State Taxable Income Reported
Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/Advances1,722,697.99


--

1,722,697.99

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE3/30/06
DATEWARREN E. CULBERTSON
PRINTED NAMECEO
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 03 2006

**Z Corporation Commission
Director of Utilities**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	PIMA
NAME (OWNER OR OFFICIAL) TITLE	WARREN E. CULBERTSON, CEO
COMPANY NAME	FARMERS WATER CO.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

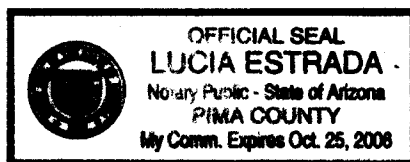
FOR THE YEAR ENDING

MONTH	DAY	YEAR
9	30	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:



Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 479,867

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 25,870
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 30th DAY OF

(SEAL)

MY COMMISSION EXPIRES 10/25/06

Warren E. Culbertson
SIGNATURE OF OWNER OR OFFICIAL
520-879-7474
TELEPHONE NUMBER

COUNTY NAME	Pima
MONTH	March
	20 <u>06</u>

Lucia Estrada
SIGNATURE OF NOTARY PUBLIC

**REVENUE RECONCILIATION
FISCAL YEAR TO CALENDAR YEAR**

FISCAL YEAR OPERATING REVENUE 10/1/04 - 9/30/05 AS REPORTED ON PAGE 8	455,088
LESS: REVENUE 10/1/04 - 12/31/04	(106,217)
ADD: REVENUE 10/1/05 - 12/31/05	105,125
SALES TAX MONIES BILLED 1/1/05 - 12/31/05	<u>25,870</u>
	<u><u>479,867</u></u>

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

APR 03 2006

Z Corporation Commission
Director of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) PIMA	
NAME (OWNER OR OFFICIAL) WARREN E. CULBERTSON	TITLE CEO
COMPANY NAME FARMERS WATER CO.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 9	DAY 30	YEAR 2005
-------------------	------------------	---------------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

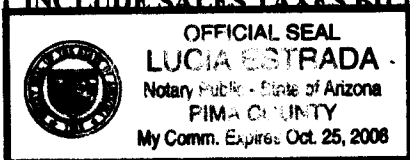
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES \$ 323,414
--

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ **19,191**
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.



Warren E. Culbertson
SIGNATURE OF OWNER OR OFFICIAL

520-879-7474
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

30th

DAY OF

NOTARY PUBLIC NAME Lucia Estrada	
COUNTY NAME Pima	
MONTH March	20 06

(SEAL)

MY COMMISSION EXPIRES

10/25/06

X *Lucia Estrada*
SIGNATURE OF NOTARY PUBLIC